

DEPARTMENT OF AGING

1600 K STREET

SACRAMENTO, CA 95814

Internet Home Page: www.aging.ca.gov

TDD Only 1-800-735-2929

FAX Only (916) 327-3661

(916) 322-4383



PROGRAM MEMO

TO: AREA AGENCIES ON AGING (AAA)	NO.: PM 01-14 (P)	
SUBJECT: Fiscal Year (FY) 2001-02 Community-Based Services (CBS) Program Unallocated Reduction	DATE ISSUED: August 23, 2001	
	EXPIRES: Until Superseded	
REFERENCES: Older Californians Act (OCA), Older Americans Act (OAA) Amendments of 2000, Welfare and Institutions Code 9100 et. seq., PM 01-05 (P)	SUPERSEDES:	
PROGRAMS AFFECTED:		
<input type="checkbox"/> All <input type="checkbox"/> Title III-B <input type="checkbox"/> Title III-C1/C2 <input type="checkbox"/> Title III-D <input type="checkbox"/> Title III-F <input type="checkbox"/> Title V <input checked="" type="checkbox"/> CBSP <input type="checkbox"/> MSSP <input type="checkbox"/> Title VII <input type="checkbox"/> ADHC <input type="checkbox"/> Other: _____		
REASON FOR PROGRAM MEMO:		
<input type="checkbox"/> Change in Law or Regulation <input type="checkbox"/> Response to Inquiry <input checked="" type="checkbox"/> Other Specify: <u>Implement 2001-02 Budget Act</u>		
INQUIRIES SHOULD BE DIRECTED TO:		
Your AAA-Based Team		

The enactment of the 2001-02 Budget Act included an unallocated General Fund reduction in the CBS Programs of \$1 million. The Governor stated in his budget message that this reduction was based on the need to maintain a prudent reserve for economic uncertainties and was necessitated by a softening economy and substantial revenue decreases. The Governor also stated that he is "open to considering funding for these worthy programs in the future when the economy improves."

In light of the unallocated General Fund cuts, the California Department of Aging (CDA) is requiring AAAs to determine which specific CBS Programs in their local area will be reduced. This local determination process is consistent with the OCA, specifically Welfare and Institutions Code, Section 9100 et. seq. In making decisions regarding the implementation of this unallocated General Fund reduction, AAAs must seek input from their Advisory Councils and obtain approval from their Governing Boards following their local planning process. **Please note:** Although performance levels (e.g., units of contracted service) may change with implementation of this funding reduction, no changes in specific program requirements are being made.



Unallocated Reductions

The attached Community-Based Services Programs 2001-02 Unallocated Reduction Statewide Summary identifies each AAA's General Fund portion of the \$1 million unallocated reduction. This worksheet is based on allocations prior to transfers made for AAAs that manage programs for other AAAs. The unallocated reduction was calculated based on each AAA's proportionate share of General Fund CBS Program funding.

Linkages Program

Also attached is a 2001-02 Linkages Reduction worksheet that identifies the reduction of \$1.5 million of Linkages funds that was removed in the May Revision of the Governor's Budget. In accordance with PM 01-05 (P), this reduction will be reflected on an amended Planning Estimate (PE). Therefore, Linkages programs will not have to meet the caseload increase of 25 clients and a half-time Registered Nurse specified in the original budget language requirements.

Program and Administration Reductions

Reductions to CBS Programs may be taken in Program, Administration, or both. AAAs that reduce any CBS Program with an administration allocation must also reduce those administration dollars. The reduction must be taken in the same proportion in program and administration.

Program Reductions/Planning Estimates

Program and Administration reductions will result in a new allocation for each CBS Program reduced through this process. Prior legislative language required that CBS Program dollars be maintained and prohibited redirection for specified periods of time. Therefore, these reductions are considered permanent and will remain in effect until June 30, 2004 for the Linkages program and June 30, 2003 for all other CBS Programs. The unallocated and Linkages reductions will be incorporated into an amended PE to be issued after completion of the 2000-01 closeout process.

Maintenance of Effort—Title III E or Other Fund Sources

When determining where to allocate the CBS Program General Fund reductions, AAAs should follow the Title III E maintenance of effort provision in the OAA, Amendments of 2000. The Administration on Aging (AoA) issued Program Instruction AoA-PI-01-02, which contained the following guidance:

"Title III E funds must be spent in addition to, and shall not supplant, any federal, State, or local funds expended by a State or unit of general purpose local government (including AAAs) to fund Title III E services provided prior to the date of enactment of Part E of the OAA Amendments of 2000. In other words, a State or unit of general purpose local government (including AAAs) may not use federal Part E funds to supplant, replace, or in substitution for, any other federal, State, or local funding expended pursuant to federal, State, or local laws that were in effect on or

before November 12, 2000, which was one day before the date of enactment of Title III E.”

For example: AAAs cannot reduce Respite Purchase of Service General Fund dollars contracted with the Linkages program and replace those funds with Title III E resources.

Community-Based Services Programs Funding Reductions Form and Performance Estimates

The attached Community-Based Services Programs Funding Reductions form has been developed for AAAs to identify and report specific program and administration reductions. Program and Administration reductions must equal the total amount identified for the AAA on the attached Community-Based Services Program 2001-02 Unallocated Reduction Statewide Summary. In addition, AAAs must complete a Performance Estimates page with projected decreases in service units. CDA will use this information to project the total statewide impact on services as a result of this \$1 million reduction.

CDA is required to implement this reduction by specific program for the 2002-03 Governor's Budget. To allow CDA sufficient time to review and incorporate these reductions into the Governor's Budget, **AAAs must submit these two forms no later than October 12, 2001, to your AAA-Based Team.**

Original Signed by Lynda Terry

Lynda Terry
Director

Attachments